

Exhibit 1

In Re:
RESIDENTIAL CAPITAL, LLC, et al.

September 19, 2012

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UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

Case No. 12-12020-mg

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In the Matter of:

RESIDENTIAL CAPITAL, LLC, et al.,

Debtors.

- - - - -x

United States Bankruptcy Court

One Bowling Green

New York, New York

September 19, 2012

10:10 AM

B E F O R E:

HON. MARTIN GLENN

U.S. BANKRUPTCY JUDGE

RESIDENTIAL CAPITAL, LLC, ET AL.

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1 either with us, so they're privileged -- but those people
2 weren't the ones negotiating and having the communications with
3 the other parties. But --

4 THE COURT: Have you produced e-mails from Mr.
5 Cancelliere?

6 MR. PRINCI: I understand that we're collecting them.
7 But so that Your Honor understands my point, take Mr.
8 Cancelliere; it is our understanding that any communications
9 that he had regarding this was with either the general counsel
10 of ResCap or us. He wasn't the one who was interfacing --
11 except, you know, in meetings. But he wasn't interfacing in
12 written form with the other parties. But in any event, we're
13 going to get people that and then I don't think --

14 THE COURT: Are the debtors' directors relying on
15 advice of counsel supporting their approval of the RMBS
16 settlement?

17 MR. PRINCI: Yes, Your Honor.

18 THE COURT: Doesn't that waive privilege?

19 MR. PRINCI: We don't believe so and, you know, I
20 would say this. These are very important and not simple issues
21 to address and if this is --

22 THE COURT: I'm not going to rule on the issue now.

23 MR. PRINCI: Okay.

24 THE COURT: But it did -- that was a point raised in
25 one of the responses and it did seem to resonate with me that

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1 if -- you need to show that this settlement is fair, reasonable
2 and in the best interests of the debtors' estates. And to the
3 extent that it involves business judgment, there needs to be
4 evidence to support that this was an appropriate exercise of
5 business judgment.

6 If the lawyers were the principal negotiators but the
7 people making the decisions were the directors, that's why I
8 think it's a fair question to ask whether they're relying on
9 advice of counsel in support of their decision to approve the
10 settlement. If that's so, then without deciding, you know,
11 specific communications, you're going to have a real problem if
12 you're going to assert privilege with respect to communications
13 from counsel that form any part of the basis for directors
14 approving the settlement.

15 MR. PRINCI: Your Honor, I do not want to suggest to
16 the Court that the debtors exclusively relied on the advice of
17 counsel.

18 THE COURT: Whether they exclusively or in part. Once
19 you acknowledge that the directors relied, in whole or in part,
20 on advice of counsel, how is it that you propose to shield that
21 advice from discovery?

22 MR. PRINCI: Well, maybe this is semantics and maybe
23 this is substance. There are fundamental business issues that
24 were the basis of the directors' conclusions to do the deals
25 that are in front of the Court. I think there's, necessarily